

have to go to another job? When that child asks to go to a birthday party, and the mother says, "You can't because we can't afford a present," what about those family values? What about those family values?

Raising the minimum wage is a fundamental issue of fairness. Are we going to honor work? Are we going to say to our fellow citizens that we, as a nation, have enough sense of common purpose and direction that we believe that many of our neighbors who may not have the kind of training or the education, may have had a life that has been challenging and difficult, may be struggling to try to provide for their families, are not even going to be able to be lifted out of poverty?

We have seen the greatest accumulation of wealth in the history of this Nation, and we have seen the greatest growth of disparity between the most affluent and those who are the neediest workers in our country, and we have seen this disparity grow to be greater than it has ever been in the history of this Nation. This is a very, very small step to try to do a little something about it. In past years, raising the minimum wage has been a bipartisan effort.

This chart reflects basically the points I have been making in the past few moments. This chart shows about where the minimum wage was, in real, constant dollars, from 1955-1998 and beyond, to the year 2000. In 1955, we got the increase in the minimum wage. It went to almost \$6. For the period of the late 1950s, to the 1960s, the 1970s, beginning into the early 1980s, in all that period of time, for some 30 years, the purchasing power for the minimum wage was far above what it would be if we were able to pass the legislation tomorrow to increase the minimum wage by 50 cents next year and 50 cents the following year.

All we are trying to do is get to the bottom, not to the top, of what it would be—\$7.38 in purchasing power. We are trying to just get into the zone. We will still be at the lowest for a period of 30 years, at a time of economic prosperity. These increases that have taken place since 1955 have had Republican and Democratic support. It didn't used to be a partisan issue. But we are just trying to get there.

We have to ask, Is that so unreasonable, Mr. President? Look what happens if we are not successful. If we are not successful in getting the increase in the minimum wage, the purchasing power of the minimum wage, drops back to \$4.82 an hour. By 2000, it drops back to \$4.82. We are just trying to get the minimum wage up to \$6.15. Even by 2000, it will only be worth \$5.76. It will still be well below what the purchasing power has been in here, Mr. President.

This is an extremely modest bill. This gives you the history on this chart. These are working families and individuals, who will and can work, who play by the rules, go out to earn a modest living every single day. If these

workers miss a paycheck, they miss paying the utilities. If they miss a paycheck, they can't afford to provide for the kind of attention to meet health care for a child. If they miss a paycheck, there is no opportunity to provide for children. Nor can they give them a night out at the movies. That is how close this figure is, Mr. President.

Do you know what this \$1 increase represents, Mr. President? That \$1 increase, most of all, means dignity to these workers. That is our No. 1 reason. These workers can free themselves from the reliance on support programs. It gives them a sense of dignity. That is important. We spend a great deal of time around here adding and subtracting and looking at balances. Once in a while, we ought to look at what the real impact is in terms of human quality. It is dignity. It is the fact that men and women can look at their families and know that they have a job that offers them an opportunity to live with some dignity. That is what this is really about.

But look at what this \$1 represents. Some people might say, well, that is not an awful lot. It certainly is for these families. It represents about 6 months of groceries for a family. It represents about 7 months of rent, on average, for a family. It represents two-thirds of the tuition for a community college so that one of their children can go on to a community college. That is the kind of hope and opportunity it means for these families. It is a big deal. It is important. We talk about a billion dollars here and a billion dollars being real money. But this 50 cents and 50 cents—another dollar, over the period of 2 years—is a lot of money for working families.

So, Mr. President, the other issue I will mention very briefly here is whether this adds to the rate of inflation. Mr. President, I want to address these two issues very quickly; that is, what the impact of the increase in the minimum wage is on inflation.

Raising the minimum wage does not fuel inflation. It says on the top of this chart, right here, going back to 1996, in January of 1996 we have three-tenths of 1 percent. This is the inflation rate increase per month during this period of time. It is three-tenths of 1 percent. It dropped here. Then it went up. But, generally speaking, for a period before 9 months, it was three-tenths of 1 percent. It increased it to \$4.75.

Look at what happens to the rate of inflation. It drops back and drops, and it settles on in here. Instead of three-tenths per month, it drops down to two-tenths per month. Then we increase it to \$5.15, and down it goes again, and then up, and then down again. This spans from January of 1996 through June of 1998. That is a pretty clear indication that the two last increases, with the rate of inflation, when we didn't have as favorable an economy as we do today—that effectively there has been no impact on the rate of inflation.

If we look at what the impact of the minimum wage has been on the unemployment rate, again, this chart here represents—these are Bureau of Labor statistics and they are authenticated. If you look back in October of 1996, what the rate of unemployment was, it was just above 5 percent—about 5.2 percent. We saw the increase in the minimum wage and a little blip here, and then we see how it has declined, below 5 percent. It was increased to \$5.15, and the chart settles in now to about 5.5 percent. I think, if we look at the most recent figures, it is down to 4.3 percent.

So the two major arguments have been that it adds to the unemployment rate and it adds to the inflation rate.

The final point I will make, since this is an argument that is raised most recently, as well—maybe it doesn't add to inflation, but let's look at this. The minimum wage doesn't harm small business, it says on this chart. This is a Jerome Levy Economic Institute 1998 survey of 568 small businesses. "Did the recent increase in minimum wage affect hiring or unemployment decisions?" Mr. President, 6.2 percent said yes, 79 percent said no. "Would raising the minimum wage cause you to lay off or hire workers?" Three percent said yes, 93 percent said no. They have a longer study which basically supports this.

We have had the Restaurant Association that has talked about how this was going to be "devastating." But they have increased their employment by 230,000 restaurant workers over this period, although they had predicted an absolute disaster in terms of the restaurant business. That is done by the Bureau of Labor Statistics. So it is important that we try to put this into some kind of perspective.

The basic issue in question is: Are we going to be fair to working Americans? Do we believe that these Americans who are at the lower level of the economic ladder should be able to participate, to some degree, in terms of economic prosperity? Tomorrow, we will have an opportunity to answer that question. I hope that the Senate will vote in favor of providing it.

I thank the Chair and I thank the Senator from Iowa.

Mr. GRASSLEY addressed the Chair. The PRESIDING OFFICER. The Senator from Iowa.

#### EXTENSION OF MORNING BUSINESS

Mr. GRASSLEY. I ask unanimous consent that morning business be extended for 10 minutes.

The PRESIDING OFFICER. Without objection, it is so ordered.

The Senator from Iowa is recognized.

(The remarks of Mr. GRASSLEY and Mr. KYL pertaining to the introduction of S.J. Res. 56 are located in today's RECORD under "Statements on Introduced Bills and Joint Resolutions.")